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Key events in developed markets next week

We'll be keeping an eye out for March CPI data in the US and UK GDP figures next week



Source: Shutterstock

✓ US: Core CPI print to be 0.3% MoM

The highlight over the week ahead in the US will be March consumer price inflation data. This has been running consistently hot in recent months, with housing components remaining particularly sticky while sharply higher insurance costs and portfolio management fees have been contributing to elevated supercore readings. We expect the core CPI print to be 0.3% month-on-month versus 0.4% in February – but this is still around double the 0.17% MoM rate that would, over 12 months, bring the YoY rate down to the 2% target.

There still remains a lot of uncertainty, though. The ISM prices paid, the NFIB prices charged and the employment cost index all suggest that price pressures will soften meaningfully through the year. Still, the Fed is worried about “residual seasonality” in some components – such as one-off annual insurance price hikes continuing to boost inflation. Uncertainty surrounding the all-important housing rent components is further clouding the outlook. In January, the BLS reweighted the components, so single-family homes are now more significant, and rent for these is running faster than for apartments. Due to the construct of the index and the methodology used, it could take another couple of months before we see the 0.2% MoM readings that the Fed wants to see. As such, the prospect of a June Federal Reserve cut will remain in the balance.

✓ UK: February UK GDP figures to point to first quarter rebound

The UK economy entered a technical recession at the end of last year, albeit a shallow one. But a rebound in monthly GDP in January is likely to be followed by a small 0.1% gain in February, and that suggests we're heading for positive overall first quarter growth. These figures have admittedly been fairly volatile recently, but we do expect a gradual recovery in UK output this year. We think the majority of the mortgage squeeze is behind us in terms of the macro impact, while positive real wage growth should help consumer spending.

For the Bank of England though, this isn't what will determine the timing of the first rate. Instead, that'll be down to services inflation and wage growth, both due later this month. It's a close call between a June and August rate cut – though for now, we're narrowly sticking with the latter.

Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 8 April					
Germany	0700	Feb Industrial Output (MoM%/YoY%)	0.07	/	1.00/-5.35
	0700	Feb Exports	-4		6.3
	0700	Feb Imports	-3		3.6
	0700	Feb Trade Balance	21		27.5
France	0745	Mar Reserve Assets Total	-		225601
Switzerland	0645	Mar Unemployment Rate Adjusted	-		2.2
Tuesday 9 April					
France	0745	Feb Trade Balance	-		-7.388
Netherlands	0530	Mar CPI (MoM%/YoY%)	-		0.7/2.8
Wednesday 10 April					
US	1330	Mar Core CPI (MoM%/YoY%)	0.3/3.7	0.3/3.7	0.4/3.8
	1330	Mar CPI (MoM%/YoY%)	0.4/3.5	0.4/3.5	0.4/3.2
Canada	1445	BoC Rate Decision	5.00	5.00	5.00
Norway	0700	Mar CPI (MoM%/YoY%)	-/-	/	0.2/4.5
	0700	Mar Core Inflation (MoM%/YoY%)	-/-	/	0.4/4.9
Netherlands	0530	Feb Manufacturing Output (MoM%)	-		-4.7
Greece	1000	Feb Industrial Output (YoY%)	-		10.3
	1000	Mar CPI (YoY%)	-		2.9
Thursday 11 April					
US	1330	Initial Jobless Claims	215	-	221
	1330	Continuing Jobless Claims	1810	-	1791
	1330	Mar PPI (MoM%/YoY%)	0.4/2.3	0.3/-	0.6/1.6
	1330	Mar core PPI (MoM%/YoY%)	0.2/2.3	0.2/-	0.3/2.0
Italy	0900	Feb Industrial Output (MoM%/YoY%)	0.5/-	/	-1.2/-3.4
Norway	0700	Feb GDP Month	-		0
	0700	Feb GDP Month Mainland	-		0.4
Eurozone	1315	Apr ECB Refinancing rate	4.5	4.5	4.5
	1315	Apr ECB Deposit rate	4	4	4
Friday 12 April					
US	1500	Apr University of Michigan Sentiment Prelim	80	80	79.4
	1500	Apr University of Michigan Conditions Prelim	82.5		82.5
	1500	Apr University of Michigan Expectations Prelim	78		77.4
Germany	0700	Mar CPI Final (MoM%/YoY%)	0.4/2.2	/	0.4/2.5
France	0745	Mar CPI (MoM%/YoY%)	-		0.2/2.3
UK	0800	Feb GDP Estimate (MoM%)	0.1	/	0.2
Spain	0800	Mar CPI (MoM%/YoY%)	-/-	/	0.8/3.2
Sweden	0700	Mar CPI (MoM%/YoY%)	4.3/0.4	/	0.2/4.5
	0700	Mar CPIIF (YoY%)	2.5	/	2.5
Netherlands	0530	Feb Trade Balance	-		12.568

Source: Refinitiv, ING

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Asia week ahead: Important inflation reports and key central bank decisions

Inflation from regional economies will be in focus next week alongside policy decisions in the Philippines, Korea and Singapore



China inflation likely to moderate

China will publish its CPI inflation data next week, and a decline in food prices post-Chinese New Year will likely lead to inflation pulling back to around 0.4% year-on-year. Trade data will also be released on Friday. Positive momentum from the first few months, typical seasonality, and a recovery of export orders in the March PMI will likely lead to sequential solid growth – but YoY numbers may look poor due to a strong March 2024, potentially dropping to negative levels again before recovering in the next few months.

The credit data and FDI data may be published next week as well. Here, we expect a rebound of aggregate financing and RMB loans after the holiday effects caused weak February data. Given the strength of last year's data in the first quarter, YoY growth numbers may be flat or negative. We are still looking to see if the 50bp RRR cut that took effect in early February will have any positive impact on lending.

Inflation to tick higher in India

Indian inflation for March will rise slightly from 5.1% YoY to 5.35% following a 0.5% month-on-month increase, as seasonal vegetable prices have pushed slightly higher after falling in recent months. This remains within the Reserve Bank of India's 2-6% target, but in the upper half of that range, and is one reason that the central bank isn't going to be in any hurry to start easing until the Federal Reserve begins to take US rates lower.

Taiwan inflation to dip

March CPI numbers will be released on Tuesday. We expect inflation to moderate in March to around 2.5% YoY, but this relief will be short-lived, as an electricity price hike in April will raise price pressures again. Trade data will be published on Wednesday, where we are looking for growth to pick up in both exports and imports.

BSP widely expected to extend pause

The Bangko Sentral ng Pilipinas (BSP) rescheduled its policy meeting to the coming week reportedly to wait for inflation data. Inflation has edged closer to the upper end of the BSP's inflation target, which should mean that the central bank will likely retain policy rates at restrictive levels. We expect the BSP to remain sidelined for at least the first half of the year, with any potential easing likely only following a potential Fed rate cut.

Singapore's first quarter GDP and MAS

Singapore reports first quarter GDP in the coming week, with economic output expected to gain a sizeable boost due to the influx of tourists related to a concert series. We expect first quarter GDP growth to hit 2.8% YoY, or roughly 0.15% up from the previous quarter. Meanwhile, the Monetary Authority of Singapore (MAS) will meet to decide on policy, and we expect it to retain all settings given the recent flare up in inflation.

BoK on hold again

The Bank of Korea meets on Friday. With the latest inflation and inflation expectations above 3% and IP and exports holding up fairly well, the BoK is expected to keep the policy rate at 3.5%. The central bank is likely to downplay higher-than-expected inflation, as this was mainly due to a temporary issue on the supply side.

South Korea will hold legislative elections on 10 April. Recent polls suggest that it will be a neck-and-neck race between the two major parties, as there is still a large number of undecided voters. Currently, the progressives (opposition party) hold a large number of seats in parliament, but in the last two elections – presidential and local – the conservatives won.

Japan's labour cash earnings could bounce back

Labour cash earnings are a key data release for Japan next week and are expected to have grown by 3% in February. We expect a more meaningful rebound in cash earnings from April and May as the newly agreed wage negotiations kick in.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING Survey	Prev.
Monday 8 April				
Japan	0050	Feb Labour Cash earnings	3	2
Philippines	1500	Policy Interest Rate	6.5	6.5
Tuesday 9 April				
Taiwan	0900	Mar CPI (YoY%)	2.5	3.08
Wednesday 10 April				
Japan	0050	Mar M2 Money Supply (YoY%)	-	12497016
China	-	Mar M2 Money Supply (YoY)	-	8.7
	-	Mar FDI (YTD)	-	-19.9
Taiwan	0900	Mar Imports	-1.7	-17.8
	0900	Mar Exports	11.2	1.3
	0900	Mar Trade Balance	8.69	7.89
Thursday 11 April				
China	0230	Mar CPI (YoY%)	0.4	0.7
Philippines	0200	Feb Exports (YoY%)	9.4	9.1
	0200	Feb Imports (YoY%)	13.8	-7.6
	0200	Feb Trade Balance	-4450	-4221
Friday 12 April				
China	0400	Mar Exports	-3.6	7.1
	0400	Mar Imports	1.3	3.5
	0400	Mar Trade Balance	73.6	125.16
India	1300	Mar CPI Inflation (YoY%)	5.35	5.09
	1300	Feb Industrial Output (YoY%)	-	3.8
		Mar Fiscal Deficit - USD bn	-	18.71
		Mar Imports - USD bn	-	60.11
		Mar Exports - USD bn	-	41.4
Singapore	0100	Q1 GDP Flash (QoQ%/YoY%)	0.15/2.8	/ 4.8/2.2
South Korea	0000	Mar Unemployment Rate	2.7	2.6
	0200	Apr Bank of Korea Base Rate	3.5	3.5

Source: Refinitiv, ING

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Key events in EMEA next week

Poland's current account surplus and Hungarian inflation figures are set to be the key highlights in a quieter week ahead in the EMEA region



Source: Shutterstock

✓ Poland: Current account surplus from strong trade in goods

Current account (Feb): €797m

We forecast a €797m surplus for Poland's current account in February 2024, but it will be smaller than in February 2023 (€147m) amid a deterioration in the foreign income balance. As a result, the cumulative 12-month current account surplus will narrow to 1.3% of GDP, down from 1.4% of GDP after January this year. Still, we expect a solid surplus in trade in goods, and we hope to see positive annual dynamics for both exports and imports.

Nevertheless, net exports are projected to contribute negatively to economic growth in 2024; the anticipated rebound in imports is expected to be stronger than improvements seen in exports. The former will be fuelled by surging domestic demand and buoyant consumption, while the latter is likely to be curbed by weak external demand, particularly from Germany.

✓ Czech Republic: Inflationary pressures continue to fall

Headline inflation fell to 2% in February, hitting the central bank's target. For March, we expect inflationary pressures to weaken further from 0.3% to 0.0% MoM. This should translate into a slight

decline from 2.0% to 1.9% YoY. Food prices, energy prices, and – due to seasonality – recreation and culture prices headed lower in March. The latter in particular was the main reason for higher core and service inflation in previous months. We expect the downward movement in this item to outpace the normal seasonal movement and help push service inflation down as well.

Household energy prices have also seen a significant decline, confirmed by energy companies announcing tariff cuts for March and April. However, it is unclear what proportion of households will be affected and we therefore see more downside risks here. On the other hand, fuel, clothing and transport prices rose in March. The government also decided to increase the price of motorway vignettes since March (+0.08pp).

✔ Hungary: March inflation to decelerate to 3.6%

In Hungary, we will see the latest budget figures for March as well as the March inflation print. On the fiscal side, we expect another monthly deficit but a much more consolidated figure than in the previous month. Some one-off burdens on the expenditure side will be taken off the books, and the revenue side is expected to improve as domestic demand slowly but surely strengthens. On the price side, we see another strong monthly repricing, with the third 0.7% print in a row.

Services will remain the main driver of monthly inflation, especially holiday packages and telecommunications services. On top of that, further increases in fuel prices will also add to inflationary pressure. Looking at the year-on-year rate, we see a further slight deceleration to 3.6% due to the still relatively high base. The lion's share of annual price increases (around 70%) will come from services inflation. The slight deceleration is the result of opposing forces, with fuel and household energy prices contributing positively to the change from February to March, while a change in food, alcoholic beverages and tobacco prices will weigh on the year-on-year reading.

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 8 April					
Turkey	0800 Feb	Industrial Production (MoM%/YoY%)	-		0.03/1.06
Czech Rep	0800 Feb	Industrial Output (YoY%)	-		0
	0800 Feb	Trade Balance	-		3.7
Tuesday 9 April					
Czech Rep	0800 Mar	Unemployment Rate	-		4
Hungary	1000 Mar	Budget Balance	-550		-1758
Ukraine	1330 Mar	CPI (MoM%)	-		0.3
Wednesday 10 April					
Russia	1700 Mar	CPI (MoM%/YoY%)	0.4/7.7	0.4/7.7	0.7/7.7
Czech Rep	0800 Mar	CPI (MoM%/YoY%)	0.0/1.9	/	0.3/2
Thursday 11 April					
Russia	1400 Feb	Foreign Trade	-		7.838
Hungary	0730 Mar	Core CPI (YoY%)	4.1		5.1
	0730 Mar	CPI (MoM%/YoY%)	0.7/3.6		0.7/3.7
Romania	0700 Mar	CPI (YoY%)	6.7		7.23
Serbia	1100 Apr	Benchmark Interest rate	6.5		6.5
Friday 12 April					
Poland	1300 Feb	Current Account Balance (mn €)	797	780	1179
Czech Rep	0900 Feb	Current Account Balance	-		6.85
Kazakhstan	0700 Mar	Base Interest Rate	14.50		14.75
Serbia	1100 Mar	CPI (MoM%/YoY%)	0.4/5.1	/	0.6/5.6

Source: Refinitiv, ING

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